

March 19, 2013

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
1106 Longworth
Washington, D.C. 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1106 Longworth
Washington, D.C. 20515

Dear Chairman Camp and Ranking Member Levin:

I commend you for holding your March 19 hearing, "Tax Reform and Tax Provisions Affecting State and Local Governments." This hearing is of great interest to the wireless industry, as nearly thirteen years after the National Governors Association and the National Conference of State Legislatures urged states to reform and modernize their telecommunications tax systems, discriminatory impositions by state and local governments continue to drive up the cost of wireless broadband and other mobile services. On average, wireless customers now pay 17.2% in state, local and federal taxes and fees, a 5.5 percent increase in just two years.

Congress, the Administration, and the Federal Communications Commission have made expanding wireless broadband a national priority to spur innovation and expand economic growth. The continued regressive taxation of wireless services works against this objective, harming lower-income Americans who tend to rely more exclusively on wireless devices for communication services and access to the Internet.

Last Congress, Rep. Zoe Lofgren (D-CA) and Rep. Trent Franks (R-AZ) introduced H.R. 1002, the Wireless Tax Fairness Act, to curb the rapidly increasing rate of discriminatory taxes imposed only on wireless services by state and local governments. The legislation would halt this trend by providing a temporary, five-year freeze on new taxes that are levied solely on wireless. Importantly, the bill did not take away any existing revenue from states or localities. CBO scored H.R. 1002 and determined that it would impose no cost on state, local or tribal governments.

H.R. 1002 was genuinely bipartisan legislation, enjoying the support of 236 cosponsors. On November 1, 2011 the House passed the bill by voice vote. Regrettably, the Senate failed to take up the bill before the 112th Congress adjourned.

In the coming weeks, Reps. Lofgren and Franks will reintroduce the Wireless Tax Fairness Act. I realize that this legislation falls within the jurisdiction of the House Judiciary Committee; however, the Finance Committee does retain jurisdiction on the Senate companion bill. As the Committee on Ways and Means continues its efforts on comprehensive tax reform, I strongly encourage you keep the merits and successful legislative track record of the Wireless Tax Fairness Act in mind as the Committee moves forward.

Sincerely,



Steve Largent
President and CEO